

# Remuneration report

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The remuneration report describes the remuneration policy and remuneration system of Bucher Industries and provides information about the annual remuneration of the members of the board of directors and group management. The 2023 remuneration report is based on art. 734a – 734f of the Swiss Code of Obligations (CO) as well as the Directive on Information relating to Corporate Governance (RLCG) published by SIX Swiss Exchange valid on 31 December 2023 and Bucher Industries AG's articles of association.

## Remuneration policy

Bucher Industries' remuneration policy derives directly from its strategy, which is aligned with the interests of all of its stakeholders. The individual elements of the remuneration system aim to promote sustainable corporate development. The basic principles of the remuneration system are set out in art. 23 to 28 of the articles of association of Bucher Industries AG. Since 2015, the overall remuneration of the board of directors and group management has been subject to approval by the annual general meeting of shareholders. Directors are remunerated on a non-performance-related basis. Members of group management and senior management receive, in addition to their non-performance-related base salary, performance-related remuneration in recognition of their performance-oriented approach. All performance-related components of remuneration are subject to an upper limit and comprise a cash bonus and shares in the company. The objective of the remuneration system is to attract and retain highly qualified managers and specialists. The focus is on providing competitive remuneration comprising a fixed base salary and performance-related components. At the request of the compensation committee, the board of directors issues rules and regulations relevant to the remuneration system, which are additionally benchmarked against publicly available information about similar listed companies within the European mechanical engineering industry every three to five years and revised by the board if necessary, also at the request of the compensation committee.

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### Annual general meeting

In accordance with art. 26 of the articles of association of Bucher Industries AG, the annual general meeting approves the total remuneration to be awarded to the board of directors for the period of office following the annual general meeting, the total amount of fixed remuneration for group management for the financial year following the annual general meeting and the total amount of variable remuneration for group management for the previous financial year. Additionally, the annual general meeting of shareholders takes note of the remuneration report on a non-binding and consultative basis.

### Compensation committee

**Responsibility** The compensation committee comprises two to five members of the board of directors who are individually elected by the annual general meeting. The duties and responsibilities of the compensation committee are described in art. 20 and following of the company's articles of association, as well as in the summary of the internal rules of organisation that is publicly available. The compensation committee reports to the board of directors on its activities, findings and proposals. Overall responsibility for the tasks assigned to the compensation committee rests with the board of directors.

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**Election and term of office** The annual general meeting of 19 April 2023 elected Anita Hauser and Urs Kaufmann to the compensation committee until the next annual general meeting. The board of directors nominated Urs Kaufmann as chairman of the committee.

**Tasks and responsibilities** The compensation committee develops the remuneration policy and sets before the board of directors a proposal for a remuneration system, together with the appropriate corporate rules and regulations, for the directors, group management and senior management. It makes recommendations to the board for the annual remuneration of the board of directors and group management and the participants in the Bucher Participation Plan and takes note of the total remuneration for senior management. The compensation committee also sets before the board of directors proposals to be presented to the annual general meeting for the prospective approval of the total fixed remuneration for the board of directors and group management, as well as the retrospective approval of the total variable remuneration for group management, in accordance with art. 26 of the articles of association of Bucher Industries AG. It is also charged with the preparation of the remuneration report to be submitted to the board of directors. The compensation committee also reviews proposals to take on external directorships submitted by members of group management, in accordance with art. 29 of the articles of association of Bucher Industries AG. If agreement is unanimous, the committee recommends to the board of directors approval of the external mandates. The compensation committee also presents the board of directors with proposals for medium- and long-term personnel planning for the board of directors and group management. The committee provides the board of directors with proposals regarding the basic principles of the process for selecting candidates for the board of directors and group management and prepares selections based on these criteria.

**Meetings and activities in the reporting period** The compensation committee meets at least twice a year. The meetings usually last for several hours. The chairman of the board of directors and the CEO attend the meetings in an advisory capacity, except when their own remuneration is being determined. Depending on the items on the agenda, members of group management or specialists are consulted. The compensation committee held three meetings in the reporting period, which focused on the regular duties described above and on the promotion of diversity within the Group. A further six meetings were arranged to deal directly with succession planning for management and the board of directors. All members were present at each of the meetings.

## Remuneration system

### Board of directors

The members of the board of directors receive non-performance-related remuneration, which is proposed by the compensation committee and submitted for approval to the annual general meeting by the board of directors every year. The remuneration includes a base amount, half of which is paid in cash and half in shares. Work in the committees is remunerated in cash. All cash components of the remuneration are paid out to the board of directors on a monthly basis. The allocation of shares takes place on the day after the annual general meeting for the previous period of office. The number of the shares is calculated using the closing price on the day of the annual general meeting. The shares awarded are subject to a three-year blocking period.

### Group management

Members of group management receive a fixed remuneration amount in the form of a base salary commensurate with their responsibilities and experience, and variable, performance-related remuneration paid out as a cash bonus and shares under the Bucher Participation Plan. Other benefits comprise a representation expense allowance and contributions to a supplementary pension plan. In addition, the members of group management may be provided with a mid-range company car. The fixed and variable components of remuneration specified in the employment contracts of the members of group management are conditional on the approval of the annual general meeting. Variable remuneration is paid after retrospective approval by the annual general meeting in the following spring. Variable remuneration depends on the base salary, the achievement of the annual financial targets set for the Group and divisions by the board of directors and the achievement of individual non-financial annual targets.

- **Annual financial targets** The annual financial targets for the variable, performance-related components of remuneration are determined at the start of the financial year by the board of directors. The targets take into account the Group's long-term targets, the budget for the current year and the general economic environment.
- **Individual annual targets** The individual annual targets are agreed between the board of directors and the CEO, while the CEO sets the targets for the members of group management after consultation with the chairman of the board of directors. The individual annual targets take the strategic initiatives of the respective divisions into account. In addition, each member of group management has at least one target related to the implementation of the Group-wide sustainability strategy.

The remuneration system for members of group management is structured as follows:

	Fixed remuneration		Variable remuneration		
	Base salary	Cash bonus		Bucher Participation Plan	
		Target <sup>1)</sup>	Range	Target <sup>1)</sup>	Range
CEO	100%	50%	0–75%	50%	0–75%
Other members	100%	40%	0–60%	30%	0–45%

<sup>1)</sup> 100% target achievement, all percentages are based on base salary.

**Fixed remuneration** The fixed base salary of group management members is determined with reference to market benchmarks for the specific position in the country concerned, based on the level of individual responsibility and experience of the person concerned.

**Variable remuneration** The performance-related components of the variable remuneration comprise a cash bonus and the Bucher Participation Plan. The level of individual target achievement ranges from zero to a maximum of 1.5 times the value for 100% target achievement.

- **Cash bonus** The remuneration system for the cash bonus is structured as follows: The financial targets are weighted at 80% and individual targets at 20%. The cash bonus for 100% target achievement is 50% of base salary for the CEO and 40% of base salary for all other members of group management. The financial criteria used to determine the cash bonus for the CEO and CFO are the Group's "profit for the year" and its "net operating assets as a percentage of sales". For the other members of group management, the financial criteria are "operating profit (EBIT)" and "net operating assets as a percentage of sales" for their respective divisions.
- **Bucher Participation Plan** The Bucher Participation Plan is a share-based, performance-related component of remuneration for the members of group management, senior management and selected specialists. The financial target determining the share awards is "earnings per share" and is set by the board of directors at the beginning of each financial year. The target takes into account the Group's long-term targets, the budget for the current year and the general economic environment. Share awards are based on a percentage of base salary. For 100% target achievement, the applicable percentage is 50% of base salary for the CEO, 30% for the other group management members and 10% for the other Bucher Participation Plan participants. The number and valuation of the shares is calculated using the closing price on the day of the annual general meeting. The shares awarded are subject to a three-year blocking period.

**Termination of employment** If employment is terminated for any reason other than by normal notice of termination, the cash bonus and awards under the Bucher Participation Plan will be paid on a pro-rata basis after the retrospective approval of the annual general meeting in the following spring. If employment is terminated by normal notice of termination, all rights under the Bucher Participation Plan lapse. The period of notice for members of group management is twelve months.

#### **Termination benefits**

There are no systems in place for termination benefits for either the board of directors or group management, and none were paid during the reporting period.

## Remuneration in 2023

The remuneration of the board of directors and group management is reported here on an accrual basis.

### Board of directors

The overall remuneration awarded to directors came to CHF 1.249 million (2022: CHF 1.174 million) and was within the total sum of CHF 1.300 million approved by the 2023 annual general meeting for the period of office. The increase compared with the prior year is mainly due to a one-time expense of CHF 50'000 in connection with the induction of the designated chairman of the board, as well as lower remuneration in the prior year for the period of office 2021/2022. From the period of office 2022/2023, the payment of flat-rate expenses was integrated into the base amount. This led to a shift within the categories. The base remuneration of the board for the period of office 2023/2024 remained unchanged and amounted to CHF 352'000 for the chairman, CHF 141'000 for the deputy chairwoman and CHF 126'000 for the other members of the board of directors. The base amount is paid half in cash and half in shares. The corresponding share allocations are based on the closing share price on the day of the annual general meeting. For their work in committees, committee members were each awarded CHF 10'000, with committee chairmen receiving an additional CHF 5'000. These, together with social security contributions and the one-time remuneration of the designated chairman of the board mentioned above, are included in the other remuneration.

### Remuneration of the board of directors (audited)

CHF 1'000	Base remuneration in cash	Remuneration in shares	Other remuneration	Total remuneration
				<b>2023</b>
Philip Mosimann, chairman	176.0	176.0	34.5	<b>386.5</b>
Anita Hauser, deputy chairwoman	70.5	70.5	38.2	<b>179.2</b>
Michael Hauser	63.0	63.0	27.2	<b>153.2</b>
Martin Hirzel	63.0	63.0	32.9	<b>158.9</b>
Urs Kaufmann <sup>1)</sup>	42.0	42.0	77.7	<b>161.7</b>
Stefan Scheiber	63.0	63.0	27.2	<b>153.2</b>
Valentin Vogt <sup>2)</sup>	21.0	21.0	14.3	<b>56.3</b>
<b>Board of directors</b>	<b>498.5</b>	<b>498.5</b>	<b>252.0</b>	<b>1'249.0</b>
<b>Approval by the annual general meeting 2023</b>				<b>1'300.0</b>
				<b>2022</b>
Philip Mosimann, chairman	174.0	174.0	38.0	<b>386.0</b>
Anita Hauser, deputy chairwoman	67.8	67.8	39.2	<b>174.8</b>
Michael Hauser	60.3	60.3	28.5	<b>149.1</b>
Martin Hirzel	60.3	60.3	34.2	<b>154.8</b>
Stefan Scheiber <sup>3)</sup>	42.0	42.0	18.1	<b>102.1</b>
Heinrich Spoerry <sup>4)</sup>	18.3	18.3	15.7	<b>52.3</b>
Valentin Vogt	61.3	61.3	32.5	<b>155.1</b>
<b>Board of directors</b>	<b>484.0</b>	<b>484.0</b>	<b>206.2</b>	<b>1'174.2</b>
<b>Approval by the annual general meeting 2022</b>				<b>1'300.0</b>

<sup>1)</sup> From 19 April 2023

<sup>2)</sup> Until 19 April 2023

<sup>3)</sup> From 12 April 2022

<sup>4)</sup> Until 12 April 2022

## Group management

The total remuneration of group management was 2% below the level of the previous year and amounted to CHF 7.383 million (2022: CHF 7.507 million).

**Fixed remuneration** Fixed remuneration awarded to group management totalled CHF 4.334 million (2022: CHF 4.315 million) and was within the total of CHF 4.800 million approved by the 2022 annual general meeting.

**Variable remuneration** The variable remuneration of group management decreased by 4% compared with the previous year and amounted to CHF 3.049 million (2022: CHF 3.192 million). The decrease compared with the prior year is due to the lower target achievement. In the reporting period the target achievement determining the performance-related cash bonus for the CEO was 109% (119%) and for the other members it was between 89 and 116% (83 and 129%), and the target achievement for the Bucher Participation Plan was 121% (132%). The number of shares granted under the Bucher Participation Plan is calculated using the closing share price on the day of the annual general meeting. The cash bonus is paid out and the shares are allocated after approval by the annual general meeting. Other remuneration included social security contributions and expenses.

The cash bonus and the Bucher Participation Plan for 100% target achievement were each 50% of base salary for the CEO. For the other members of group management, the percentages for the cash bonus were between 37 and 40% and for the Bucher Participation Plan between 27 and 30%. These will be gradually adjusted over the next few years to 40 and 30% of base salary, respectively. The variable remuneration of CHF 3.177 million paid out to group management in spring 2023 for the financial year 2022 was less than the total amount of CHF 3.500 million approved retrospectively by the 2023 annual general meeting.

## Remuneration of group management (audited)

CHF 1'000	Fixed remuneration			Variable remuneration				Total remuneration
	Base salary	Other remuneration	Total	Cash bonus	Remuneration in shares	Other remuneration	Total	
								<b>2023</b>
Jacques Sanche, CEO	800.0	245.4	<b>1'045.4</b>	436.0	484.0	72.4	<b>992.4</b>	<b>2'037.8</b>
Other members	2'527.4	761.1	<b>3'288.5</b>	1'006.7	839.7	210.4	<b>2'056.8</b>	<b>5'345.3</b>
<b>Group management</b>	<b>3'327.4</b>	<b>1'006.5</b>	<b>4'333.9</b>	<b>1'442.7</b>	<b>1'323.7</b>	<b>282.8</b>	<b>3'049.2</b>	<b>7'383.1</b>
<b>Approval by/proposal to the annual general meeting 2022/2024</b>			<b>4'800.0</b>				<b>3'500.0</b>	
								<b>2022</b>
Jacques Sanche, CEO	800.0	250.0	<b>1'050.0</b>	476.0	528.0	79.0	<b>1'083.0</b>	<b>2'133.0</b>
Other members	2'506.3	758.6	<b>3'264.9</b>	1'040.8	848.3	220.3	<b>2'109.4</b>	<b>5'374.3</b>
<b>Group management</b>	<b>3'306.3</b>	<b>1'008.6</b>	<b>4'314.9</b>	<b>1'516.8</b>	<b>1'376.3</b>	<b>299.3</b>	<b>3'192.4</b>	<b>7'507.3</b>
<b>Approval by the annual general meeting 2021/2023</b>			<b>5'000.0</b>				<b>3'500.0</b>	

### Additional remuneration, loans to members of governing bodies and interests in shares

No additional remuneration or fees were paid and no loans were granted to members of governing bodies in the reporting period. As at 31 December 2023, there were no outstanding loans or credits to current or former members of the board of directors or group management nor to persons connected with them. The interests in shares held at the end of the reporting period are set out in the tables below.

#### Directors' interests in shares (audited)

		Number of shares	
		2023	2022
Philip Mosimann, chairman		47'803	47'369
Anita Hauser, deputy chairwoman		441'002	440'828
Michael Hauser		605'938	605'782
Martin Hirzel		809	653
Urs Kaufmann		200	n.a.
Stefan Scheiber		236	80
Valentin Vogt		n.a.	5'335
<b>Board of directors</b>		<b>1'095'988</b>	<b>1'100'047</b>

#### Group management's interests in shares (audited)

		Number of shares	
		2023	2022
Jacques Sanche	CEO	8'634	7'332
Manuela Suter	CFO	1'534	1'184
Thierry Krier	Kuhn Group	4'308	3'900
Aurelio Lemos	Bucher Municipal	894	882
Daniel Waller	Bucher Hydraulics	9'847	9'499
Matthias Kümmerle	Bucher Emhart Glass	1'022	690
Stefan Düring	Bucher Specials	2'446	2'132
<b>Group management</b>		<b>28'685</b>	<b>25'619</b>



### Other appointments and commitments of the board of directors (audited)

Other appointments and commitments	
Philip Mosimann, chairman	Chairman of the board of Ammann Group Holding AG, Langenthal and of Uster Technologies AG, Uster; member of the board of Vanderlande Industries B.V., Veghel/NL
Anita Hauser, deputy chairwoman	Member of the board of AMAG Group AG, Cham, of Roche Holding AG, Basel, and of Magenta Management AG, Zurich
Michael Hauser	CEO of notime (Schweiz) AG, Zurich; no other appointments or commitments
Martin Hirzel	President of Swissmem (trade association of the Swiss mechanical, electrical and engineering industries), Zurich; member of the board of Datwyler Holding AG, Altdorf, of IPZ Operation AG, Dübendorf, of Lantal Textiles AG, Langenthal, of Ronal AG, Härkingen and of TESTEX AG, Zurich
Urs Kaufmann	Chairman of the board of Huber+Suhner AG, Pfäffikon; deputy chairman of the board of SFS Group AG, Heerbrugg; member of the board of Vetropack Holding AG, Saint-Prex (until April 2024), and of Müller Martini Holding AG, Hergiswil
Stefan Scheiber	CEO and member of the board of Bühler Group, Uzwil; member of the board of Switzerland Innovation Park East, St. Gallen and of Kistler Holding AG, Winterthur

### Other appointments and commitments of group management (audited)

Other appointments and commitments	
Jacques Sanche	Member of the board of Schweiter Technologies AG, Steinhausen
Manuela Suter	Member of the board of SFS Group AG, Heerbrugg
Thierry Krier	President of CEMA (European Agricultural Machinery Association); member of the board of VDMA Agricultural Machinery (trade association of the German Engineering Federation)
Aurelio Lemos	No other appointments or commitments
Daniel Waller	No other appointments or commitments
Matthias Kümmerle	No other appointments or commitments
Stefan Düring	No other appointments or commitments